



BILLING CODE: 4210-67

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5763-N-05]

**Implementation of the Privacy Act of 1974, as Amended;
Republication to Terminate and Modify Privacy Act Systems of Records
Streamlining Efforts under the Lender Electronic Assessment Portal (LEAP)**

AGENCY: Office of the Chief Information Officer.

ACTION: Notification.

SUMMARY: Pursuant to the Privacy Act of 1974 (U.S.C. 552a (e) (4)), as amended, and Office of Management and Budget (OMB), Circular No. A-130, notice is hereby given that the Department of Housing and Urban Development (HUD), Office of the Chief Information Officer (OCIO) proposes to terminate and modify Privacy Act notifications previously published in the Federal Register. The Office of Single Family Housing is modifying its Lender Electronic Assessment Portal (LEAP) system of records to implement a series of new enhancements that will improve its overall capabilities and streamline the recertification process for its Federal Housing Administration approved lenders. Furthermore, the current HUD/HS-60: Institution Master File (IMF) system of records previously published in the Federal Register on August 25, 2009 at 74 FR 42910 will be replaced in its entirety by LEAP. The migration of records to LEAP from IMF allows HUD approved Lenders to use LEAP to process its annual recertification, to manage institution/branch information and lender profiles, and its Cash Flow account setup activities. Where traditionally lenders were required to access multiple systems to complete the annual recertification process, LEAP will enable lenders to complete all the required recertification submissions in one system. The LEAP system of records notice “Categories of Record in the System”, “Purpose”, and “Routine Use” captions are being updated

to capture new functions for the LEAP system. Additionally, other captions of the SORN are updated to refine previously published information about the system in a clear and cohesive format. This notice supersedes the previous SORN published in the Federal Register for LEAP on November 16, 2011 at 76 FR 71067. The records contained in this system which pertain to individuals contain principally proprietary information concerning sole proprietorships. Some of the records in the system which pertain to individuals may reflect personal information, however, only the records reflecting personal information are subject to the Privacy Act.

DATES: EFFECTIVE DATE: [Insert date 30-days after publication of this notice in the Federal Register]

COMMENTS DUE DATE: [Insert date 30-days after publication of this notice in the Federal Register].

FOR FURTHER INFORMATION OR SUBMISSION OF COMMENTS CONTACT:

Donna Robinson-Staton, Chief Privacy Officer, 451 Seventh Street SW, Washington, DC 20410 (Attention: Capitol View Building, 4th Floor), telephone number: (202) 402-8073. [The above telephone number is not a toll free number.] A telecommunications device for hearing- and speech-impaired persons (TTY) is available by calling the Federal Information Relay Service's toll-free telephone number (800) 877-8339. For comments, please include the above reference docket number in your request.

SUPPLEMENTARY INFORMATION: These systems of records are those maintained by HUD's Office of Single Family Housing that includes personally identifiable information provided by Lender Institutions from which information is retrieved by a name or unique identifier. The system revisions encompass programs and services of the Department's data collection and management practices. This republication allows HUD to organize and re-publish

up-to-date and accurate information about its systems of records. The system modification and termination proposal incorporate Federal privacy requirements, and HUD policy requirements. The Privacy Act provides certain safeguards for an individual against an invasion of personal privacy by requiring Federal agencies to protect records contained in an agency system of records from unauthorized disclosure, ensure that information is current for its intended use, and that adequate safeguards are provided to prevent misuse of such information. Additionally, the updates reflect the Department's focus on industry best practices in protecting the personal privacy of the individuals covered by this system notification. This notice for the amended system of records states the name and location of the record system, the authority for and manner of its operations, the categories of individuals that it covers, the type of records that it contains, the sources of the information for those records, the routine uses made of the systems records, and the system of records exemption types. In addition, the notice includes the business address of the HUD officials who will inform interested persons of the procedures whereby they may gain access to and/or request amendments to records pertaining to them. Some of the routine uses that apply to this publication are reiterated based on past publication to clearly communicate the ways in which HUD continues to conduct some of its business practices.

Since this republication does meet the threshold requirements for a new or amended system, a report was submitted to the Office of Management and Budget (OMB), the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Government Reform as instructed by Paragraph 4c of Appendix I to OMB Circular No. A-130, "Federal Agencies Responsibilities for Maintaining Records About Individuals," July 25, 1994 (59 FR 37914).

AUTHORITY: 5 U.S.C. 552a; 88 Stat. 1896; 42 U.S.C. 3535(d).

April 18, 2014

Date

Kevin R. Cooke, Jr.

Acting Chief Information Officer

SYSTEM OF RECORDS NO.: HSNB.SF/HUL.01

SYSTEM NAME: Lender Electronic Assessment Portal (LEAP).

SYSTEM LOCATION: External hosting location at the HUD HITS Datacenter, 2020 Union Carbide Drive, South Charleston, WV 25303; Application management at the HUD Headquarters building, 451 7th Street SW, Washington, DC 20410. In addition to the HUD Headquarters building, records for LEAP are also accessed at the following HUD Homeownership Centers: The Santa Ana Federal Building, 34 Civic Center Plaza, Room 7015 Santa Ana, CA 92701, The Denver Regional Office, 1670 Broadway, 25th Floor, Denver, CO 80202, The Philadelphia Regional Office Wanamaker Building, 100 Penn Square East, Philadelphia, PA 19107, and The Atlanta Regional Office, Five Points Plaza, Building 40 Marietta Street, Atlanta, GA 30303.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals covered by the system are principals or officers (i.e., directors, managers and owners) of financial institutions that seek approval or are approved to originate service or hold single family and/or multifamily FHA-insured mortgages, or Title I and/or Title II insured mortgages.

CATEGORIES OF RECORDS IN THE SYSTEM: Information for lender approval Status: (lender name; lender corporate address; lender corporate information [Federal Tax Identification, affiliation with home builders, business type, institution type, regulator type]; lender financial characteristics [including assets, liabilities and net worth]; lender corporate officer information [including individual name and SSN]; and, background credit information on the lending institution and the corporate officers); Information for lender management (lender DE and LI status; geographic approvals; lender branch information [including name and SSN of branch officers]; lender cash account management for claims and premium activity; FHA

compliance information; FHA annual recertification information [including lender financial characteristics], tracking of notices of violation and material events; and, ad hoc query and reporting features).

AUTHORITY FOR MAINTANANCE OF THE SYSTEM: The National Housing Act (12 U.S.C. 1701 et. seq.) and the Department of Housing and Urban Development Act (42 U.S.C. 3531 et seq.); 24 CFR Parts 202, 203, 206, 241 and 266; and, 42 U.S.C. 3543 - Sec. 3543, which authorizes the collection of Social Security Numbers.

PURPOSE(S): LEAP's purpose is to obtain information from lending institutions and the principals or officers of those institutions seeking approval or already approved to originate, service or hold single family and/or multifamily FHA-insured mortgages, or Title I and Title II insured loans. The information in this record system enables HUD/FHA to process applications for (1) suitability and verification purposes (including institution creditworthiness, prior lending history with FHA, outstanding legal, regulatory or compliance issues, outstanding federal debts or penalties and similar individual experience with corporate officers); (2) to ensure conformance to FHA Title I and Title II authorities (including documented instances of deviations from or violations of FHA lending policy on FHA-insured loans and the existence and amount of indemnifications and loan loss offsets to FHA); (3) to identify specific individuals and roles at lending institutions, for communication, outreach, planning and previous FHA lending experience. The system contains all documents and related data required for a lender's application and for ongoing operational management of lender's relationship with FHA. LEAP is utilized by HUD as a single system, built on the Siebel Partner Relationship Manager platform. LEAP is maintained over HUD's internal network. The system provides different "views" into data tables, and is more flexible and customizable than many legacy systems.

“Tabs” are used in Siebel as shortcuts to specific data tables or to accelerate specific actions within the system. There are no separate “modules” for this system, and tabs should not be confused with modules. The Siebel PRM is a robust system that can host many different actions for different sets of users simultaneously across the agency.

While LEAP is expanding to cover this new functionality, this functionality currently exists within other systems in the Office of Lender Activities and Program Compliance. No functionality new to the Government is contained in this system. The consolidation onto LEAP provides greater efficiency and cost savings to the Government. LEAP does not contain any loan level data about an individual. It only contains information about the FHA lender.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES, in addition to those disclosures generally permitted under 5 U.S.C. 552 a(b) of the Privacy Act of 1974, other routine uses include:

- (a) To the FBI during the course of investigating possible fraud in the FHA mortgage insurance, underwriting insuring, or monitoring process, to the extent necessary to obtain information pertinent to the investigation pertinent to the investigation;
- (b) To the Department of Justice (DOJ) when seeking legal advice for a HUD initiative or in response to DOJ’s request for the information, after either HUD or DOJ determine that such information is relevant to DOJ’s representatives of the United States or any other components in legal proceedings before a court or adjudicative body, provided that, in each case, the agency also determines prior to disclosure that disclosure of the records to the DOJ is a use of the information contained in the records that is compatible with the purpose for

which HUD collected the records;

(c) HUD on its own may disclose records in this system of records in legal proceeding before a court or administrative body after determining that the disclosure of the records to the court of administrative body is a use of the information contained in the records that is compatible with the purpose for which HUD collected the records;

(d) To HUD contractors, lenders and financial institutions for the purpose of conducting oversight and monitoring of program operations to determine compliance with applicable laws and regulations, and financial reporting requirements;

(e) Additional disclosure for purposes of facilitating responses and remediation efforts in the event of a data breach. A record from a System Of Records maintained by HUD may be disclosed to appropriate agencies, entities and persons when: a) HUD suspects or has confirmed that the security or confidentiality of information in a system of records has been compromised; b) HUD has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of systems or programs (whether maintained by HUD or another agency or entity) that rely upon the compromised information; and c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm for purposes of facilitating responses and remediation efforts in the event of a data breach;

(f) To a commercial or consumer reporting agency to use in obtaining credit reports on individuals and credit and background reports on entities;

(g) To a recipient who has provided the agency with advance adequate written assurance that the record will be used solely as a statistical research or reporting record, and the record

is to be transferred in a form that is not individually identifiable; and

(h) To contractors, grantees, experts, consultants, Federal agencies, and non-Federal entities including but not limited to state and local governments, and other research institutions or their parties entities and their agents with whom HUD has a contract, service agreement, grant, cooperative agreement with HUD, when necessary to accomplish an agency function related to a system of records for the purposes of statistical analysis and research in support of program operations, management, performance monitoring, evaluation, risk management, and policy development, or to otherwise support the Department's mission. Records under this routine use may not be used in whole or in part to make decisions that affect the rights, benefits or privileges of specific individuals. The results of the matched information may not be disclosed in identifiable form.

See also Appendix 1¹ for discretionary routine uses that may be applicable to this system of records

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE: Electronic data is stored on servers at the HUD HITS Datacenter, and backup files are stored on tapes. Electronic data is replicated at a disaster recovery offsite location in case of loss of computing capability or other emergency at the primary facility. LEAP uses no paper records.

RETRIEVABILITY: Records are retrieved by Institution Name, Tax ID #, FHA Lender ID #, various tracking ID #'s, Individual name and individual SSN.

SAFEGUARDS: Access to electronic records is granted by user ID and password to users who have a need to know such records. In addition to the safeguards provided by the

¹ <http://portal.hud.gov/hudportal/documents/huddoc?id=append1.pdf>

access controls, physical access to the HUD HITS Datacenter is highly restricted and protected. Additionally, paper records are no longer used by the system.

RETENTION AND DISPOSAL: Records are held in accordance with HUD's Records Disposition Schedules Handbook (2225.6) Appendix 20 (Single Family Home Mortgage Insurance Program Records) and Appendix 21 (Financial Management Information Systems). Paper records are not in use. Electronic records are held consistent with standards for paper records. Archival tape media is kept for 7 years and tapes are in rotation. Tapes that are faulty and need to be disposed of follow HUD's IT Security Handbook (2400.25), pursuant to MIST SP 800-88 guidelines section 2.1.

SYSTEM MANAGER(S) AND ADDRESS: Director, Office of Lender Activities and Program Compliance, 451 7th Street SW, Room B-133 – P3214, Washington, DC 20410.

NOTIFICATION AND RECORDS ACCESS PROCEDURES: For Information, assistance, or inquiries about the existence of records contact the Chief Privacy Officer, Department of Housing and Urban Development, 451 Seventh Street SW, Room 4156, Washington, DC 20410. Verification of your identity must include original signature and be notarized. Written request must include the full name, Social Security Number, date of birth, current address, and telephone number of the individual making the request.

CONTESTING RECORD PROCEDURES: The Department's rules for contesting contents of records and appealing initial denials appear in 24 CFR part 16. Additional assistance may be obtained by contacting: U.S. Department of Housing and Urban Development, Chief Privacy Officer, 451 Seventh Street SW, Washington, DC 20410 or the HUD Departmental Privacy Appeals Officers, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street SW, Washington DC 20410.

RECORD SOURCE CATEGORIES: Source information is received from financial institution principals, from commercial third parties such as consumer and commercial credit reporting agencies, from CAIVRS, from Pay.Gov for any fee payment information, and lastly from internal users in the Office of Lender Activities and Program Compliance.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT: None

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